

Multiple Agency Fiscal Note Summary

Bill Number: S-3068.3	Title: P2SSB 5313
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Estimated Cash Receipts

NONE

Local Gov. Courts						
Loc School dist-SPI		402,504,205		761,879,781		746,133,019
Local Gov. Other						
Local Gov. Total						

Estimated Operating Expenditures

Agency Name	2019-21			2021-23			2023-25		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Department of Revenue	Fiscal note not available								
Superintendent of Public Instruction	.0	(55,673,921)	(55,673,921)	.0	(172,072,823)	(172,072,823)	.0	(185,461,210)	(185,461,210)
Total \$	0.0	(55,673,921)	(55,673,921)	0.0	(172,072,823)	(172,072,823)	0.0	(185,461,210)	(185,461,210)

Local Gov. Courts									
Loc School dist-SPI			402,504,205			761,879,781			746,133,019
Local Gov. Other									
Local Gov. Total									

Estimated Capital Budget Expenditures

Agency Name	2019-21			2021-23			2023-25		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Department of Revenue	Fiscal note not available								
Superintendent of Public Instruction	.0	0	0	.0	0	0	.0	0	0
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Estimated Capital Budget Breakout

NONE

Prepared by: Cynthia Hollimon, OFM	Phone: (360) 902-0562	Date Published: Preliminary 3/21/2019
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Individual State Agency Fiscal Note

Revised

Bill Number: S-3068.3	Title: P2SSB 5313	Agency: 350-Superintendent of Public Instruction
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Part I: Estimates

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No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2020	FY 2021	2019-21	2021-23	2023-25
Account					
General Fund-State 001-1	(5,669,570)	(50,004,351)	(55,673,921)	(172,072,823)	(185,461,210)
Total \$	(5,669,570)	(50,004,351)	(55,673,921)	(172,072,823)	(185,461,210)

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

☒

If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

☐

If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

☐

Capital budget impact, complete Part IV.

☐

Requires new rule making, complete Part V.

Legislative Contact: Jeffrey Naas	Phone: 360-786-7708	Date: 03/21/2019
Agency Preparation: Michelle Matakas	Phone: 360 725-6019	Date: 03/21/2019
Agency Approval: TJ Kelly	Phone: 360 725-6301	Date: 03/21/2019
OFM Review: Cynthia Hollimon	Phone: (360) 902-0562	Date: 03/21/2019

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

Second Substitute Bill: Both Section 1 & 2 revised:

Section 1(4)(f) Beginning in calendar year 2020, allocation of state matching funds to eligible school districts for local effort assistance (LEA) shall be \$2100 per student as increased by inflation from the 2019 calendar year.

Section 1(7) For districts with a CY 2020 LEA amount less than CY 2019 LEA amount, the CY 2019 LEA must be provided. However, the combined per-pupil enrichment levy calculated under RCW 84.52.0531 and LEA funding must not exceed the state LEA threshold in section 1(4)(f).

Section 2 Beginning with taxed levied in CY 2020, the maximum dollar amount that may be levied by districts is the lessor of \$2.50 per \$1,000 of the assessed value of property or the maximum per pupil limit. For districts with an enrollment less than 9,600, the maximum per pupil limit is \$2,500 as increased by inflation from CY 2019. For districts with enrollment greater than 9,600, the maximum per pupil limit is \$3,000 as increased by inflation from CY 2019.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

none

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

OSPI projections assume district’s levy collections will not be higher than the voter approved levy for the 2019 calendar year. For years beyond 2019 levy collections are either what is currently voter approved for those years, or if the current levy expires, then we hold constant to the final year of the actual approved levy. OSPI uses projected Assessed Values received from DOR as of February 2019 for all calculations.

For the first implementation of P2SSB in CY 2020, we show a state savings to LEA of approximately (10.3 million). This includes approximately \$73.6 million of hold harmless applied to eligible districts. For CY 2021, the estimated state savings to LEA jumps to approximately \$82.5 million. See attached chart for 6 year look by calendar and fiscal year.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2020	FY 2021	2019-21	2021-23	2023-25
001-1	General Fund	State	(5,669,570)	(50,004,351)	(55,673,921)	(172,072,823)	(185,461,210)
Total \$			(5,669,570)	(50,004,351)	(55,673,921)	(172,072,823)	(185,461,210)

III. B - Expenditures by Object Or Purpose

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Professional Service Contracts					
E-Goods and Other Services					
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services	(5,669,570)	(50,004,351)	(55,673,921)	(172,072,823)	(185,461,210)
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	(5,669,570)	(50,004,351)	(55,673,921)	(172,072,823)	(185,461,210)

Part IV: Capital Budget Impact

NONE

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

P2SSB 5313 - State Note (LEA Impact only)

<u>CY 2020</u>	<u>CY 2021</u>	<u>CY 2022</u>	<u>CY 2023</u>	<u>CY 2024</u>	<u>CY 2025</u>
\$ (10,308,309)	\$ (82,482,931)	\$ (83,953,672)	\$ (92,730,605)	\$ (92,730,605)	\$ (92,730,605)

<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>
\$ (5,669,570)	\$ (50,004,351)	\$ (83,291,838)	\$ (88,780,985)	\$ (92,730,605)	\$ (92,730,605)

Individual State Agency Fiscal Note

Revised

Bill Number: S-3068.3	Title: P2SSB 5313	Agency: SDF-School District Fiscal Note - SPI
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Part I: Estimates

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No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2020	FY 2021	2019-21	2021-23	2023-25
School District Local-Private/Local NEW-7	116,673,217	285,830,988	402,504,205	761,879,781	746,133,019
Total \$	116,673,217	285,830,988	402,504,205	761,879,781	746,133,019

Estimated Operating Expenditures from:

	FY 2020	FY 2021	2019-21	2021-23	2023-25
Account					
School District Local-Private/Local NEW-7	116,673,217	285,830,988	402,504,205	761,879,781	746,133,019
Total \$	116,673,217	285,830,988	402,504,205	761,879,781	746,133,019

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact: Jeffrey Naas	Phone: 360-786-7708	Date: 03/21/2019
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OFM Review: Cynthia Hollimon	Phone: (360) 902-0562	Date: 03/21/2019

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

Second Substitute Bill: Both Section 1 & 2 revised:

Section 1(4)(f) Beginning in calendar year 2020, allocation of state matching funds to eligible school districts for local effort assistance (LEA) shall be \$2100 per student as increased by inflation from the 2019 calendar year.

Section 1(7) For districts with a CY 2020 LEA amount less than CY 2019 LEA amount, the CY 2019 LEA must be provided. However, the combined per-pupil enrichment levy calculated under RCW 84.52.0531 and LEA funding must not exceed the state LEA threshold in section 1(4)(f).

Section 2 Beginning with taxed levied in CY 2020, the maximum dollar amount that may be levied by districts is the lessor of \$2.50 per \$1,000 of the assessed value of property or the maximum per pupil limit. For districts with an enrollment less than 9,600, the maximum per pupil limit is \$2,500 as increased by inflation from CY 2019. For districts with enrollment greater than 9,600, the maximum per pupil limit is \$3,000 as increased by inflation from CY 2019.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

School district revenues will equal state costs related to local effort assistance (LEA), plus an increase in potential local enrichment levy collections beginning with calendar year 2020. The local enrichment levy increase is estimated to be \$428.8 million in CY 2020 and \$466 million in CY2021. This is offset by a decrease in LEA. See attached chart to show 6 year calendar and fiscal increase and state note for assumptions.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

District expenditures will equal revenue.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2020	FY 2021	2019-21	2021-23	2023-25
NEW-7	School District Local	Private/Local	116,673,217	285,830,988	402,504,205	761,879,781	746,133,019
Total \$			116,673,217	285,830,988	402,504,205	761,879,781	746,133,019

III. B - Expenditures by Object Or Purpose

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Professional Service Contracts					
E-Goods and Other Services					
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services	116,673,217	285,830,988	402,504,205	761,879,781	746,133,019
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	116,673,217	285,830,988	402,504,205	761,879,781	746,133,019

Part IV: Capital Budget Impact

NONE

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

P2SSB 5313 - District Note Calendar Year

	CY 2020		CY 2021		CY 2022		CY 2023		CY 2024		CY 2025	
Local Effort Assistance Revenue	\$	(10,308,309)	\$	(82,482,931)	\$	(83,953,672)	\$	(92,730,605)	\$	(92,730,605)	\$	(92,730,605)
Enrichment Levy	\$	428,786,838	\$	465,896,228	\$	481,644,130	\$	463,906,158	\$	463,906,158	\$	463,906,158
Total	\$	418,478,529	\$	383,413,297	\$	397,690,459	\$	371,175,553	\$	371,175,553	\$	371,175,553

P2SSB 5313 - District Note Fiscal Year

	FY 2020		FY 2021		FY 2022		FY 2023		FY 2024		FY 2025	
Local Effort Assistance Revenue	\$	(5,669,570)	\$	(50,004,351)	\$	(83,291,838)	\$	(88,780,985)	\$	(92,730,605)	\$	(92,730,605)
Enrichment Levy	\$	235,832,761	\$	449,197,002	\$	474,557,574	\$	471,888,245	\$	463,906,158	\$	463,906,158
Total	\$	230,163,191	\$	399,192,652	\$	391,265,736	\$	383,107,261	\$	371,175,553	\$	371,175,553

P2SSB 5313 - District Note School Year (Fiscal Impact)

School Year	2019-20		2020-21		2021-22		2022-23		2023-24		2024-25	
Local Effort Assistance Revenue	\$	(7,421,982)	\$	(62,274,037)	\$	(83,541,864)	\$	(90,273,063)	\$	(92,730,605)	\$	(92,730,605)
Enrichment Levy	\$	124,095,199	\$	348,105,025	\$	462,541,735	\$	473,152,973	\$	467,688,071	\$	463,906,158
Total	\$	116,673,217	\$	285,830,988	\$	378,999,871	\$	382,879,910	\$	374,957,466	\$	371,175,553